

CONFIDENTIAL

INSPECTOR GENERAL
76-3604

**OGC HAS
REVIEWED.**

13 FEB 77

DD/A Registry
76-6301

MEMORANDUM FOR: Deputy Director for Administration

FROM : John H. Waller
Inspector General

SUBJECT : IG Survey of Directorate of Administration

25X1A

1. Forwarded herewith in draft is the IG Survey of the Directorate of Administration. The Executive Summary contains the heart of the findings and recommendations on compliance with E.O. 11905 and [REDACTED]. The remainder of the report presents findings and recommendations appropriate to the D/A components we surveyed.

2. Would you please review this draft and arrange a meeting with the IG team members to discuss the report. In view of my meeting with the DDCI later in December we would like to have this draft review completed by COB 15 December 1976 if at all possible.

[REDACTED]

25X1A

John H. Waller

Attachment:
Draft of Survey Report

E-2 IMPDET
CL BY 055636

CONFIDENTIAL

ROUTING AND RECORD SHEET

SUBJECT: (Optional) IG Survey of Directorate of Administration							
FROM: John H. Waller Inspector General 2 E 24		EXTENSION 6565	NO. 13 1976				
TO: (Officer designation, room number, and building)		DATE <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">RECEIVED</td> <td style="width: 50%; text-align: center;">FORWARDED</td> </tr> </table>		RECEIVED	FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
RECEIVED	FORWARDED						
1. Deputy Director for Administration		<hr style="border: 0; border-top: 1px solid black;"/>		Read + Set up H-107 ... I.G.			
2. DDA		12/20/76 7					
3. ADDA		<hr style="border: 0; border-top: 1px solid black;"/>					
4. Reg							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							

INSPECTOR GENERAL SURVEY
OF THE
DIRECTORATE OF ADMINISTRATION

TABLE OF CONTENTS

	<u>Page</u>
I. Executive Summary	1
II. Introduction and Scope.	3
III. Compliance.	6
A. Office of the Deputy Director for Administration	6
B. Office of Communications.	12
C. Office of Training.	14
D. Office of Finance	16
E. Office of Logistics	18
F. Office of Medical Services.	20
G. Office of Data Processing	23
IV. Management Concerns	25
A. Office of Training.	25
B. Office of Finance and Office of Logistics.	25
C. Office of Medical Services.	27
D. Office of Data Processing	27

Inspector General Survey of the
Directorate of Administration

I. Executive Summary

25X1A Listed below are the key findings of the IG survey of the Directorate of Administration (DA), less the Offices of Personnel and Security, as they pertain to compliance with Executive Order 11905, Agency [REDACTED] and other government regulations as applicable. Our goal was to focus on matters of legality and propriety and the management effects of meeting the compliance provisions of the above-cited regulatory issuances. Compliance problems which surfaced during the Office of Security survey are being handled separately. Following the Executive Summary are detailed summations of our findings and recommendations by DA component.

Key Findings:

25X1A 1. We found no violations of compliance with EO 11905 or [REDACTED] anywhere in the DA.

2. Each office in the DA exhibited proper awareness of the intent and spirit of EO 11905 and [REDACTED]

25X1A

3. Offices questioned whether it was necessary under [REDACTED], Annex E, to obtain Deputy Director level approval for routine requests for assistance from all other government agencies.

25X1A

4. An overreaction to the restrictive provisions of [REDACTED] existed, especially in dealing with news media and academia overt relationships with CIA.

25X1A

Recommendations:

*See OGC
paper*

Recommendation No. 1: That the DDA identify types of common and routine requests for assistance from all other agencies which may be approved by designated subordinate levels within the Directorate.

*with
input
from DCI
concern*

Recommendation No. 2: That relief from the present moratorium on use of media personnel, based on [REDACTED] be 25X1A obtained from the DCI to allow use of media guest speakers in Agency training courses.

II. Introduction and Scope

The basic purpose of the DA survey was to investigate if activities were in compliance with Executive Order 11905, [REDACTED] other pertinent government regulations and Executive Orders. As part of the compliance issue, the survey was to determine whether activities involved real or apparent illegalities or improprieties with the intent to recommend and develop (as appropriate), in coordination with component management, corrective action so that compliance, legality, and propriety could be insured. A secondary purpose of the survey was to identify management concerns which came to the inspection team's attention during the course of our interviews and to bring these concerns orally to the component manager's attention for his consideration and resolution. Where certain common managerial questions resulting from compliance implementation appeared, and where other incidental concerns were brought to our attention, these were to be included in the final report to the Directorate head. The survey would also provide a basis for scheduling more detailed component inspections for the future.

25X1A

The team, as part of the survey methodology, attempted to obtain a feeling for individual component morale as it is viewed by the limited number of senior officers we interviewed. The team interviewed approximately 75 people. From what the team learned, morale appears relatively good in spite of the pressures recently

affecting the Agency. We found a strong sense of mission and personal dedication from those with whom we talked.

This survey was limited in scope to the DA offices in the Headquarters area. We also included the [REDACTED] and the [REDACTED]. It was agreed that the Office of Personnel and the Office of Security were not to be surveyed as they had been inspected in-depth by the Inspector General within the past six months. The DA offices surveyed were: O/DDA Staff Offices, Communications, Training, Finance, Logistics, Medical Services and Data Processing. A separate IG inspection team looked into the issue area of the Agency's (and DA's) relationship with U.S. business firms, including [REDACTED] sole-source procurement, National programs, contract policy and technical representative interfaces. [REDACTED] was also inspected by that separate team. The results of the DA portion of this inspection will be published separate from this report. [REDACTED]

25X1A

25X1A

25X1A

25X1A

[REDACTED] were not inspected.

In pursuing this "overview" and limited depth inspection, the team concentrated its survey and interviews in DA components from the office head down to and including the division level. It was planned to go below this organizational level only if necessary, or when compliance issues needed further inquiry and clarification from lower organizational units. Wherever possible, it was the IG team's desire to lend advice and assistance to the

25X1A offices of the Directorate in dealing with problem areas regarding compliance with laws and regulations. Where compliance questions arose, the team tried to play an educational role in focusing on how provisions of E0 11905 and [REDACTED] could be used to continue to carry on those Agency's activities for which each office is responsible.

25X1A The Administration Directorate has an FY 1977 total of [REDACTED]

25X1A

[REDACTED] It is a most diverse Directorate in the sense of the variety of service activities it performs in supporting the Agency and, consequently, it can be affected to a large degree by compliance provisions. The inspection phase began on 27 August 1976 and was completed on 19 November 1976.

III. Compliance

A. Office of the Deputy Director for Administration

Background:

25X1A The mission of the Deputy Director for Administration (DDA) is found in [REDACTED]. In effect, he has the responsibility to provide "for the overall support of all intelligence, operational and related activities", and to direct and coordinate the efforts of the various offices within his Directorate.

A support mechanism has been created to assist the DDA in his work. In addition to an Associate Deputy, an Executive Officer, and a Special Support Assistant "to ensure adequate, proper and timely support to the Operations Directorate" [REDACTED], there is 25X1A a Registry, a Management and Assessment Staff, a Budget Staff, a Career Management Staff, and an Assistant for Information who supervises the Information Systems Analysis Staff (ISAS), the Information and Privacy Staff (IPS), and the Historical Staff. All together, this support totals [REDACTED] the approximate annual 25X9 cost is [REDACTED]. The staffs supporting the DDA appear to be performing their duties in a very acceptable manner; no evidence of noncompliance with EO 11905 or [REDACTED] was found, and no 25X1A significant managerial problems were identified. The survey of ISAS and IPS showed some minor noncompliance with other Executive Orders and regulations, resulting in certain problems which should be faced.

25X1A The mission and functions of ISAS are enumerated in [REDACTED] 25X1A
and [REDACTED]. ISAS is responsible for the Agency-wide programs of
document classification/declassification, micrographic activity,
records administration, the [REDACTED] 25X1A
[REDACTED] the Agency Regulatory System [REDACTED] 25X1A
IPS was established in February 1975 to serve as the focal point
for the Agency for all requests made under the Freedom of Informa-
tion Act (FOIA) and Privacy Act [REDACTED] 25X1A

Findings:

1. Until 1973 there was a general consensus that the Director's responsibility to protect sources and methods exempted the Agency from some of the laws and Federal regulations pertaining to records. A corollary of this assumption was that the Agency would administer its own records program according to its own regulations which for the most part were patterned after Federal laws and regulations. Compartmentation within the Agency resulted in components formulating their own rules and practices, and there was a feeling that the task of records management was not of primary importance. Consequently, no significant effort was exerted by senior management to understand the Agency's record problems and to correct deficiencies.

2. Recent laws, especially the FOIA and Privacy Act, together with the demand for precise documented information from Congressional committees, has brought to light the need for better records

LEGAL

management.

LEGAL

LEGAL

a listing

of the files held by the various components of the Agency was published in the Federal Register. Records Control schedules were corrected and updated, and will be submitted to the Archivist of the United States for his approval. Files which had been created and maintained contrary to law, regulations and public policy were identified and are to be destroyed when a Congressional "moratorium" on destruction is lifted.

3. The Agency Records Center, the management of which is one of the duties of ISAS, was established in 1958 and modernized in 1970.

25X1A

25X1A

The existence of these "indefinite" records is contrary to Federal regulations; however, this noncompliance is considered minor. Of this "indefinite" holding, are scheduled to be destroyed when the moratorium is lifted.

25X1A

4. Storage space for future records is severely limited; only 14,000 cubic feet remain. The previous tight controls regarding the storage of material at the Center which were abandoned in 1973 (DD/M&S 73-1877) should be reinstated.

25X1A

5. both of which are based on Executive Orders and Federal Regulations, establish the Agency's Vital Records

Program. These regulations provide that the program "...ensure that records required for the continuity of Agency functions during any emergency..." be stored at a relocation center. (Emphasis added, Regulations specify warfare as one of the contingencies to be considered.) Despite concern that the [REDACTED] would

25X1A

25X1A

25X1A

[REDACTED] It is questionable whether the vital material held at the Records Center is really vital; much of it has not been inspected, updated, or purged for years.

6. The classification/declassification program of the Agency appears to need more definite direction. At the time this survey was made, the responsibility for the program was divided between ISAS and IPS. As far as is known, little planning has taken place to cope with the problems which are bound to arise when a proviso of Executive Order 11652 (8 March 1972) goes into effect. This proviso specifies that all information and material classified more than 30 years ago shall be systematically reviewed for declassification or reclassification in accordance with the general declassification schedual and exemptions.

7. One of the more vexing problems for those directly involved in processing documents for release under FOIA is to discover that information they refuse to release has already been placed in the public domain. IPS maintains files for FOIA and

25X1A

Privacy Act requests and a log listing the requesters and the progress of each case. IPS also uses a small index system under [REDACTED] to keep trace of documents they release. This effort needs strengthening as it does not include previously classified information now in the public domain such as information given to Congressional committees, the public declarations made by the Presidents, the DCIs and DDCIs, the Secretaries of State, senior civilian and military officers, information exposed through litigation and information released to the public under earlier FOIA requests. All of this should be contained in a single data base. IPS is working with Directorate of Intelligence (DI)/Central Reference Service to establish a computer program to cover this necessity, but very little progress has been made in the past year.

25X1A

8. Many HR's [REDACTED] have not been reviewed since being published in the 1960's. The publication of Executive Order 11905 and other recent legislative and legal pronouncements have rendered some of these regulations obsolete and the task to update has become more urgent. [REDACTED]

25X1A

25X1A

[REDACTED]
Records Control Branch, ISAS has the primary responsibility for updating the regulations and its position in the regulatory process was strengthened when a revision of [REDACTED] was issued in February 1976. Nevertheless, the necessity to coordinate all new and revised regulations with Office of the Director, the Deputy Directors, the

25X1A

General Counsel, the Inspector General, the Comptroller, and the Legislative Counsel, tends to bog down the process, especially if there is no priority given to the effort. The difference between current Headquarters policies and the outdated policies reflected in the obsolete HR's [REDACTED] since those are the rules by which [REDACTED] could come to embarrass the Agency.

25X1A

25X1A

Recommendations:

Recommendation No. 3: That the DDA take steps to purge the Records Center of files which should not be there (e.g., the "indefinite" files) and reinstate tight controls on future storage.

Recommendation No. 4: That the DDA conduct a study to evaluate the Vital Records Program and to determine what steps should be taken to revitalize it and to ensure that the program and records conform to the anticipated needs of the Agency. This study should consider recommendations that have been made concerning the Agency's emergency and relocation plans.

Recommendation No. 5: That the DDA clearly assign to one unit the responsibility for the Directorate classification/declassification program.

Recommendation No. 6: That the DDA accelerate the effort to establish a computer program, the data base of which will contain all formerly classified information now in the public domain.

Recommendation No. 7: That the Executive Advisory Group make updating of HR's and FR's an Agency objective and that the Agency coordinators for regulatory publications give this effort priority. ✓

B. Office of Communications

Background:

25X1A The Office of Communications (OC) mission and functions are set forth in [REDACTED] the basic regulation controlling its activities is [REDACTED] 25X1A The Office is responsible for providing

25X1A [REDACTED]

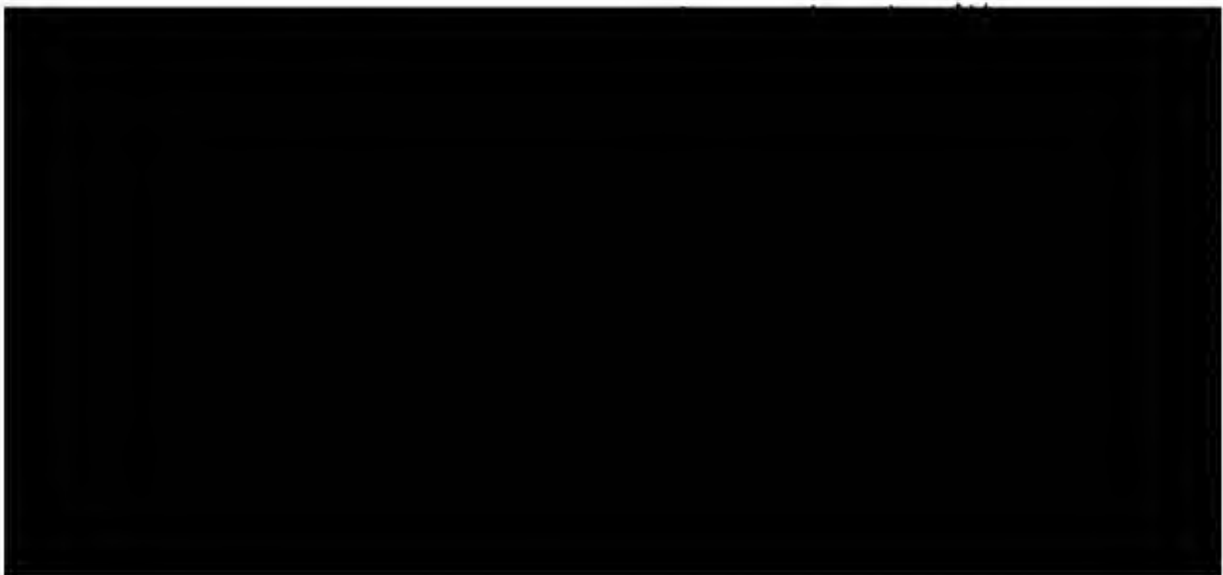
OC is organized into three functional areas and three staffs. Of the functional areas, Engineering is responsible for technical support to OC's worldwide operations, Operations manages the day-to-day activities of the Agency's communications network and the Service component handles all the numerous management, personnel, administrative and training tasks. Of the three staffs (Communica- 25X1A tions Security, Programs & Budget, Information Control), [REDACTED]

25X1A [REDACTED]

Findings:



2. OC participates on the National Communications System Committee, a coordinating group charged with managing and planning the U.S. Government's communications system with the primary goal of avoiding duplication and making sure research and developmental efforts are available to all members. This is a technical committee and there is no exchange of intelligence information. Additional exchanges with government agencies are for the technical interchange of information.



25X1A



within OC and to control distribution and access to sensitive internal cables.

C. Office of Training

Background:

The Office of Training (OTR) is responsible for developing, conducting, coordinating, arranging and reviewing training for Agency personnel. Training is also provided on a selected basis to non-Agency personnel, [REDACTED]

25X1A

25X1A

[REDACTED] are appropriate Agency regulations covering training. The Office has a staff complement for FY 1977 of [REDACTED] for FY 1977 [REDACTED]

25X9

25X1A

OTR has redefined its organization. There is a command-line deputy for operational training [REDACTED]

25X1A

25X1A

25X1A

There are three [REDACTED]

areas of nonoperational training (Functional Training Division, Language Learning Center, Intelligence Institute), [REDACTED]

25X1A

25X1A

[REDACTED] and two staffs (Resource and Plans and Training Services).

Findings:

1. No evidence of noncompliance with laws, Executive Orders or regulations surfaced during the inspection. We found OTR to be keenly aware of the need to be in legal compliance and management has taken necessary steps to insure compliance, identify areas of concern and to request legal rulings as appropriate. This has been especially true in obtaining approval to use members of the news media and academic personnel as guest speakers at training courses consistent with provisions of [REDACTED] OTR has also been diligent in its compliance responsibilities in administering the

25X1A

25X1A

[REDACTED] and in the area of training offered to non-CIA employees.

2. OTR has maintained an overt relationship with individual professors who lecture at OTR courses. There are restrictions on using academic personnel unless the CIA/Professor relationship is known by the university or college concerned. As the relationship is overt, not covert, the legal question of the professor's individual rights of privacy may be involved. A legal review by OGC as to the intent of EO 11905, Section 4(b)(9) when the relationship is overt and with the individual is warranted,

25X1A

3. [REDACTED] pertains to Agency contractual relationships with the news media. The intent seems to be a restriction on news media from providing information of possible foreign intelligence interest as against providing dimensions and viewpoints. This should be clarified so that relief from the restriction may be permitted when the moratorium expires 1 January 1977.

Recommendation:

25X1A

Recommendation No. 8: That the DDA obtain relief from [REDACTED] to allow use of media personnel as guest speakers in training courses. *

Recommendation No. 9: That the DDA request a legal opinion from OGC whether EO 11905, Section 4(b)(9) requires university or college approval when the relationship is individually with the professor and is overt. ✓

D. Office of Finance

Background:

25X1A

The Office of Finance (OF) mission and functions are set forth in [REDACTED] the basic regulations controlling its activities

25X1A

appear in [REDACTED] The Office is responsible for administering the financial operations of the Agency and has a personnel complement

25X9

for FY 1977 [REDACTED] [REDACTED]

25X1A

OF is organized into three major areas. Financial Operations is primarily concerned with payments and record keeping. Audit

and Survey does pre-award contract audits and insures that contractor invoices and claims are appropriate for payment. The third area, Assistant Director for Liaison, is where the financial relationships with other government agencies are handled.

Findings:

1. Finance officers interviewed are aware of the need to be in legal compliance. Legislation and Treasury or Comptroller General rulings that affect the financial operation of the Agency are reviewed and implementation procedures promulgated. In some instances, implementation delays are experienced; these are caused by the need to revise computer systems and time lags inherent in revisions. LOI's remind Office of Finance supervisors to be alert for legal compliance and to bring any questionable areas to the attention of management.

2. Components interact with other U.S. Government agencies. This interaction is for financial matters, system implementation and to receive technical guidance of a financial nature.

25X1A

Approvals required by [REDACTED] are received.

25X1A

25X1A

[REDACTED] Speculation is prohibited by Agency policy.

4. All financial arrangements regarding inflow and outflow of funding with other government agencies are based upon written agreements, and these are under continual review.

5. Defense Contract Audit Agency is used to conduct contract audits (not program audits) of National programs [REDACTED] 25X1A

25X1C

[REDACTED] These arrangements have been established over a period of years and no compliance problems surfaced.

E. Office of Logistics

Background:

25X1A

The Office of Logistics (OL) is responsible for planning and implementing logistical support for the Agency. Its mission and functions are set forth in [REDACTED] the basic regulation controlling its activities appear in [REDACTED] The T/O strength

25X1A

25X9

for the Office [REDACTED] The budget for FY 1977 is [REDACTED]

25X1A

OL is organized into four special staffs and six operating divisions. Of the staffs, Security is responsible [REDACTED]

25X1A

25X1A

25X1A

[REDACTED] Personnel and Training is self-explanatory; Procurement Management coordinates and provides guidance under Agency procurement policy; Plans and Programs is responsible for a variety of activities including EEO, the Claims Review Board, preparation of the MBO and Agency emergency planning and relocation. In the divisions, Logistics Services provides housekeeping and general support; Printing and Photography handles Agency printing

and microphotography needs except for certain specialized jobs;

Procurement handles all Agency procurements and contracts [REDACTED]

25X1A

25X1A

[REDACTED] Supply acquires, maintains and ships material to support the Agency; Real Estate and Construction acquires all office space for the Agency, modifying and altering it to meet its intended use.

Findings:

25X1A

1. EO 11905, Section 3(d)(vii)(A), 4(b)(8) and 4(b)(9) and [REDACTED] strengthens the Agency's role in authorizing the polygraph of contractor employees to be used by the Agency on classified projects.

2. Emergency planning and relocation based on Executive Order 11490 (28 October 1969), Office of Emergency Preparedness Circular #9100-2 (12 April 1972) and [REDACTED], by default, to be a responsibility of OL. The program is not in compliance with the Executive Order and Circular as the Agency is not in the proper state of emergency preparedness.

25X1A

3. Question was raised over the need for specific approval for each inter-Agency contact on printing matters as required by

25X1A

[REDACTED] These contacts are for administrative matters like viewing equipment or systems in the printing field.

4. Obsolete material is turned over to GSA for disposal under Federal Property and Administrative Act of 1949 (Ch. 41, USC) and Federal Regulations (CFR Title 41, Part 101). Some obsolete

but sensitive material is being destroyed by the Agency on oral instructions from GSA, which claims that the DCI has authority to so dispose under his authority to protect sources and methods.

Recommendations:

Recommendation No. 10: That EAG consider transferring the responsibility for emergency planning and relocation from OL/DA and assigning it to a senior officer reporting directly to the DCI or DDCI. ✓

Recommendation No. 11: That approving authority be delegated by DDA to subordinate levels in cases of routine administrative contacts with other government agencies.

Recommendation No. 12: That the Office of Logistics obtain from OGC a legal opinion as to whether the DCI's responsibilities for protecting sources and methods covers the disposition of obsolete but sensitive material. ✓

F. Office of Medical Services

Background:

The Office of Medical Services (OMS) mission and functions are set forth in [REDACTED] the basic regulation controlling its activities is [REDACTED] The Office is responsible for planning and directing the Agency's medical support program. The Office's personnel complement for FY 1977 [REDACTED]

25X1A

25X1A

25X9

25X1A

OMS is organized into the Office of the Director, three staffs, two medical officers who perform professional guidance and services, and four divisions. The Registrar and Special Services Staff maintain all records and handle FOIA and Privacy Act requests. 25X1A

25X1A

[REDACTED] The Psychological Services Staff operates the psychological testing and assessment program to attain improved utilization of manpower. The Professional Services Officer coordinates professional policy and services so as to make the total activity of OMS work as one unit. A Medical Systems Development Officer plans and develops computer applications for medical use. The medical selection program for Agency applicants and dependents is done in the Selection Processing Division, while the Clinical Division is charged with looking after the health of Agency employees. [REDACTED]

25X1A

25X1A

[REDACTED] and the Psychiatric Division provides psychiatric service to the Agency.

Findings:

1. Physicians in OMS are in liaison with physicians in other U.S. Government agencies. This liaison is limited to medical matters and does not concern the exchange of intelligence information. OMS does not provide medical assistance to other U.S. Government agencies, [REDACTED]

25X1A

2. OMS exercises proper control over narcotics and restrictive drugs.

25X1A

ethical standards.

5. Psychological or psychiatric therapy is not done within OMS. If the need arises, the employee is referred to an outside specialist.

6. Upon the request of an Agency component, the Psychological Services Staff will conduct a psychological assessment of a dependent, usually only the spouse, of an employee who is being proposed for assignment [REDACTED] Consent from the dependent is received prior to beginning the assessment. The purpose of the assessment is to advise the component on the suitability of the dependent to the psychological rigors and pressures of the proposed assignment. This specific psychological assessment given an nonemployee, but legal dependent of an employee is both proper and practical. It is accepted that the suitability and adaptability of a dependent to the psychological [REDACTED]

25X1A

25X1A

G. Office of Data Processing

Background:

25X1A The Office of Data Processing (ODP) mission and functions are set forth in [REDACTED] the basic regulation controlling Automatic Data Processing (ADP) activities is [REDACTED] The Office is 25X1A responsible for operating a central computer service to satisfy ADP requests from any Agency component. The personnel complement 25X9 for FY 1977 is [REDACTED] 25X1A

ODP is organized into the Director's office, two staffs and two deputy directorate areas. The Management Staff does all the planning activities for ODP and the Special Projects Staff plans and develops new and innovative computer systems. The Applications area is involved in software development and applying this software to existing ODP computers. All production and output is done in the Processing area.

Findings:

1. ODP represents the Agency on the Inter-Agency Committee on ADP which is chaired by the General Services Administration. This is the only formal committee ODP serves on and its charter is to exchange technical systems information.

2. Other government agencies frequently request assistance from ODP. The assistance is normally on technical system interchange and it is by this system that the U.S. Government can appreciate savings on computer systems development. The approval

25X1A mechanism required by [REDACTED] delays response to these requests for assistance from other government agencies.

25X1A 3. Computer security problems, [REDACTED] are of concern. Awareness of this problem was obvious and system and procedural modifications are constantly being developed.

4. ODP is unable to assure senior management that only approved and appropriate programs are being operated on Agency computers. [REDACTED]

25X1A

25X1A

[REDACTED] senior management must rely upon the integrity of component personnel as to the computer being used appropriately. ODP can and does tell a manager the amount of computer time his component uses, which provides a concerned component manager with a possible indicator for use in determining that his personnel are using ODP's computer for approved and appropriate program work.

5. There are procedures available to insure the user privacy of information that he maintains within the ODP computer bank.

Recommendation:

Recommendation No. 13: That approving authority be delegated by DDA to subordinate levels in cases of routine exchanges of technical information with other government agencies.

IV. Management Concerns

A. Office of Training (OTR)

Findings:

25X1A 1. There is a lack of precise definition and understanding of OTR's mission in the reviewing of training conducted by other Agency components. [REDACTED] does not address the question of approving or coordinating component training. This lack of clarification can lead to the contracting out and/or duplication of training at more expense to the Agency. *

Recommendation:

Recommendation No. 14: That OTR develop explicit guidelines for Agency consideration in clarifying OTR's role in approving general and component training courses.

B. Office of Finance (OF) and Office of Logistics (OL)

Findings:

1. Manual processing of invoices from OL to OF causes some delay in payment to contractors. These slow payments seem to be a result of the need for a hard copy invoice following receipt and acceptance before OF will authorize payments. Contractors have complained to OL over this and, due to this slow payment, there have been a few firms who will no longer contract with the Agency. The solution is to speed the process so that contractor payment can be made more quickly.

2. A difference of opinion exists between OL and OF on the advisability of waiving certain contract audits that relate to small dollar contracts and short-term rates on overhead costs. OL feels that the contracting officer has the final word on the contract, and since CSAD/OF has an advisory audit role in evaluating contract clauses, the certifying officer cannot countermand what is submitted by the contracting officer. The certifying officer feels unprotected from pecuniary liability if improper payment is made, and that the contracting officer is not affected. In effect, the present procedures places upon OF the obligation of supporting OL, but without technically protecting the Director from improper payments. OF wishes to develop a written set of agreed ground rules, while OL is satisfied with the present situation. We believe that the matter should be regularized; given the interests of GAO in such practices, there is extra reason for timely action.

Recommendations:

Recommendation No. 15: That OL and OF establish a quicker system of invoice processing and payment to contractors. ✱

Recommendation No. 16: That the DDA address the issue of establishing written standards on waiving OF contract audits of small dollar procurement contracts.

C. Office of Medical Services (OMS)

Findings:

1. Further inquiry is needed to determine whether the Agency is meeting the requirements and intent of the Occupational Safety and Health Act. At present the Agency has no full time industrial hygienist to monitor the program although more work is being done in research and development areas such as lasers and reactive materials. At present the monitoring is done by an outside consultant.

Recommendation:

Recommendation No. 17: That the DDA make a thorough review to determine if the Agency should have its own industrial hygienist.

D. Office of Data Processing (ODP)

Findings:

1. Officers within ODP expressed the concern that ODP does not do a full and complete job in reviewing computer system and service requests as required by [REDACTED] Due to personnel limita- 25X1A tions, they are not able to start the reviewing process at the beginning of the system or service planning stage. To date, all they have been able to do is coordinate and, in some instances, suggest modifications prior to coordinating. It is difficult, under these circumstances, to do a full evaluation of the need for the system or service, reevaluate present systems, or to judge priorities assigned by the requesting component.

2. A need for a senior policy office for ADP was also indicated by ODP officers. The fact that 55% of the computer usage is outside of ODP, and this usage should be channeled and monitored, was cited as one reason for a central control point. Another reason was someplace to review and put into effect, within the Agency, congressional, GSA and OMB policy, guidance and instructions on ADP.

3. A DA computer user group has recommended, and the inspection team agrees, that the DDA establish a standing group to perform the coordinating role within DA for data base sharing, ~~priority~~ priority of systems development, and dovetailing of DA systems. The user group further recommended that the standing group be chaired by a newly created DA data base coordinator.

Recommendations:

Recommendation No. 18: That an in-depth study be undertaken by OIG to determine the need for a central control point to monitor both ADP growth and ADP policy and to evaluate proposed and revalidate existing ADP systems. This study should also address the role ODP is assigned by [REDACTED]

25X1C

Recommendation No. 19: That the DDA approve the concept of the DA ADP standing group, establish it and assign to his staff a data base coordinator.